



## iBoxx® USD Corporates 0-3 Yield Plus Index

**The iBoxx USD Corporates 0-3 Yield Plus index is designed to reflect the performance of the higher-yielding USD corporate bond market at the short end.**

Eligible bonds need to have an investment grade rating upon inclusion and can remain in the index as long as the average rating is BB- or better. The maximum time to maturity for bonds to be considered for the index is 3 years. The minimum for new inclusions is 1 year. Existing securities need to have at least three months remaining at each quarterly rebalancing.

### Bond Selection

Eligible bonds are ranked by the average benchmark spread observed over up to 10 days. The index aims to represent highest yielding third of the USD corporate bond market at the short end. The sub-investment grade portion is limited to a maximum of 20% of the market value.

### Risk Mitigation

A sector cap of 50% per economic sector ensures a viable diversification across different industries. Subordinated bonds are constrained to a maximum market value of 20%. The weight of bonds with a large exposure to emerging market countries is curtailed to 20%.

The index design enables the investor to take advantage of yield opportunities in the USD corporate bond market whilst limiting the exposure to single industries, emerging markets and subordination.

### Transparency

Publicly available documentation on rules-based methodology used for constituent selection, monthly rebalancing and daily total return calculations, with freely accessible index levels.

### Independence

IHS Markit uses an independent, multi-source pricing subject to rigorous quality testing with a fully documented price challenge process. This is complemented by IHS Markit reference data. IHS Markit is committed to administering all financial benchmarks in compliance with IOSCO principles and is an authorised benchmark administrator under European Benchmark Regulation (BMR).

### Multi-dimensional analysis

Wide range of analytical values is published to support risk, performance measurement and attribution analysis.

### Flexibility

Ability to customise and deliver standard indices to meet specific investment criteria.

### Depth of data

History of Index Returns available and wealth of analytics data published to support index analysis.

Index history dates back to 30th November, 2012.

#### KEY STATS

**\$120bn+**

in ETFs on iBoxx indices

**15,000+**

indices

**150+**

ETFs

**20,000+**

bonds

**\$5trn+**

total value of derivatives trades outstanding

#### CUSTOMERS

**Asset managers**

**Hedge funds**

**Insurers**

**Investment banks**

**Pension companies**

## INCLUSION CRITERIA

<b>Bond types</b>	<p><b>Eligible:</b></p> <ul style="list-style-type: none"> <li>Fixed coupon bonds</li> <li>Callable and putable bonds</li> <li>Step-ups and event-driven bonds such as rating-driven or registration-driven bonds</li> <li>Amortizing bonds and sinking funds with fixed sinking schedules</li> <li>Fixed-to-floater hybrid bank/insurance capital bonds</li> <li>Senior fixed-to-float bonds issued by banks with a call option up to 2 years prior to maturity</li> <li>Perpetual callable hybrid bank/insurance bonds</li> <li>Financial subordinated debt with a contingency conversion feature at the point of non-viability, in line with the capital adequacy requirements of Basel III</li> <li>Secured bonds: <ul style="list-style-type: none"> <li>Secured bonds issued by insurance companies</li> <li>First mortgage bonds/ first priority security interest</li> <li>Secured bonds issued by an SPV with known cash-flows</li> </ul> </li> </ul> <p><b>Excluded:</b></p> <ul style="list-style-type: none"> <li>Floating Rate Notes</li> <li>Zero coupon bonds and zero-coupon step-up bonds</li> <li>Fixed to floater bonds issued by non-financial issuers</li> <li>Fixed to floater senior bonds issued by non-banking financial issuers</li> <li>Inflation and other index-linked bonds</li> <li>Bonds cum or ex-warrant</li> <li>Bonds whose complete coupons are paid at maturity, as they are similar to zero-coupon bonds with only one cash flow</li> <li>New bonds entering the index that have already been called prior to rebalancing</li> <li>Optionally and mandatory convertible bonds</li> <li>Contingent convertibles with an observable trigger</li> </ul>
<b>Time to maturity</b>	Minimum of 3 months at each quarterly rebalancing
<b>Amount outstanding</b>	>= \$500 mn
<b>Rating</b>	Minimum average rating of BB- based on <ul style="list-style-type: none"> <li>Fitch Ratings, Moody's Investor Service, S&amp;P Global Ratings</li> </ul>
<b>Currency</b>	USD

## INDEX DETAILS

<b>Pricing sources</b>	Bonds are priced using multi-source pricing
<b>Calculation</b>	End-of-day
<b>Rebalancing</b>	Quarterly (end of February, May, August and November)
<b>Snap time</b>	16:00 New York time
<b>History start</b>	30th November, 2012

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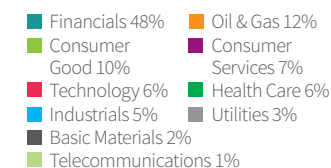
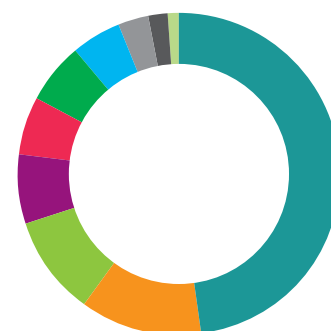
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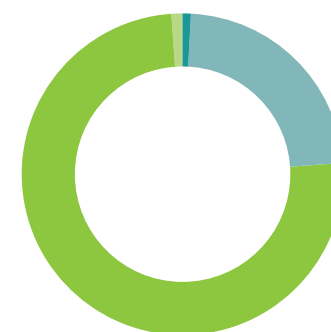
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## Industry Breakdown



## Rating Breakdown



## Country Breakdown

